

## MEMORANDUM

TO: Superintendent  
Title I Program Administrator

FROM: Lee Ann Kwiatkowski, Director  
Division of Compensatory Education

RE: Title I Payment for Administrative Salaries

DATE: April 13, 2007

At our February Administrative Meeting, time distribution was discussed which has generated many questions regarding salaries which pay for the administration of the Title I program.

Salaries of superintendents, assistant superintendents, treasurers and 12 month/full-time principals are normally paid from general funds of the school corporation. Typically, these positions are covered by 12 month yearly contracts and cannot be reimbursed by Title I funds. Payment of salaries with Title I funds would be considered supplanting; require local efforts as outlined in section 1120A(b) of the Title I, Part A statute. Under this requirement, Title I funds must supplement and not replace services that a district would otherwise pay for in the absence of Title I funds. Reimbursement for Title I services by these staff positions may be recouped by claiming Indirect Cost Expense based on the Indirect Cost Formula.

However, a school principal who has a contract with a fixed period of employment, less than 12 months (e.g., 10 months), may be employed by the school district to carry out Title I activities (and be paid with Title I funds) during the period not included in the principal's contract. Title I cannot pay for any services which occur during the contracted time as a principal. For example, if the principal is the Title I administrator and is responsible for supervising the Title I program during the regular school year, Title I cannot pay for a part of that person's salary. Nor could a principal be paid for duties occurring over the weekend during the fixed period of time within that contract. But, if the principal prepares the application, reviews plans and policies, and evaluates the program during summer months, not included in his/her principal's contract, Title I may pay administrative costs.

In such a case, a separate contract must be prepared with a description of services to be performed, dates and hours when services will be performed, location where services will be performed and the description of the number of teachers/students to be served (if applicable). The contract period will be after the end of the current year school contract. This contract cannot be paid until after the duties have been performed. The daily rate of the contract cannot exceed the daily rate of pay provided under the administrative contract for that individual during the school year.

Under unique conditions, the presumption of supplanting is refutable; however, the “supplant” test is how the district pays for the principals in its other schools. For example, if a district pays for full-time principals in its other schools across the district using State and local funds, it must use State and local funds to pay for a full-time principal in the Title I school. If, however, a district has some schools with very small numbers of students (typically located in isolated areas, that only warrant a part-time principal) the district could hire a person who works less than full time as a principal in each of its smaller schools and then assumes other duties such as teaching classes or administering the school Title I program.

It is fairly common to find individuals other than principals who work part-time for the Title I program and part-time in some other capacity for the school corporation. For example, a district may employ an assistant principal for a school that has less than one thousand students for half of the day, and the other half of the day is employed as the Title I program administrator. As a result of working for two or more programs, these individuals would need to justify the amount of salary paid from each funding source. The employee would need to maintain documentation through a Time and Effort Log or Program Activities Report. Sample Time and Effort Logs and a power point presentation on maintaining these reports are available on our website at <http://www.doe.state.in.us/TitleI/welcome.html>. The Time and Effort Logs are reviewed by auditors when the school corporation's federal programs and fiscal recordkeeping are audited, as well as through Title I on-site monitoring and Cycle 3 desk-top monitoring.

Keep in mind that any determination about supplanting is very case specific and it is difficult to provide general guidelines without examining the full details of a situation.

If you have any additional questions, please contact the Title I office at 317-232-0540 or toll-free at 877-418-7240.